UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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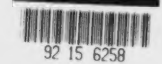
FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992



OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-9008

BEST COPY AVAILABLE

ANDREWS GROUP INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	95-2683875
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
21 East 63rd Street, New York, New York	10021
(Address of principal executive offices)	(Zip Code)

212-593-4300

(Registrant's telephone number, including area code)

(Registrant's former address)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No__

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	Outstanding at May 15, 1992
Common Stock, $1.00 par	1,000

As of May 15, 1992, all of the Registrant's outstanding common stock was indirectly held by Mafco Holdings Inc.

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ANDREWS GROUP INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in millions, except per share data)
(Unaudited)

	March 31, 1992	December 31, 1991
ASSETS		
Cash	$8.4	$1.7
Trade receivables, net	51.3	61.3
Inventories	6.2	5.4
Film costs, net	137.1	137.7
Property, plant and equipment, net	4.0	4.0
Intangibles assets related to businesses acquired, net	90.7	91.4
Other assets	25.5	15.5
	$323.2	$317.0
LIABILITIES AND STOCKHOLDER'S DEFICIT		
Liabilities:		
Accounts payable and accrued expenses	$58.3	$52.5
Deferred income	14.8	14.6
Participations and residuals payable	41.1	41.8
Debt	237.9	272.5
Indebtedness to affiliates, net	196.8	154.2
Minority interest in Marvel	21.6	19.5
	570.5	555.1
Redeemable preferred stock of a subsidiary	5.1	5.1
Stockholder's deficit:		
Common stock, $1.00 par value; 1,000 shares authorized, issued and outstanding		
Additional paid-in-capital	18.8	18.8
Accumulated deficit	(271.2)	(262.0)
Total stockholder's deficit	(252.4)	(243.2)
	$323.2	$317.0

See notes to unaudited consolidated financial statements.

ANDREWS GROUP INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in Millions, except share data)
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
Net revenues	$69.3	$64.7
Cost of sales	24.2	23.9
Selling, general and administrative expenses	10.6	8.2
Film cost amortization and depreciation	26.3	31.1
Operating income	8.2	1.5
Other (expenses) income:		
Interest expense	(11.1)	(14.2)
Interest and net investment income	0.9	0.7
Minority interest in earnings of Marvel	(2.0)	
Amortization of goodwill and debt issuance costs	(2.2)	(2.5)
Miscellaneous, net	1.1	(1.4)
	(13.3)	(17.4)
Loss before income taxes	(5.1)	(15.9)
Provision for income taxes	(4.1)	(0.9)
Net loss	($9.2)	($16.8)

See notes to unaudited consolidated financial statements.

ANDREWS GROUP INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Millions)
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	($9.2)	($16.8)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation and amortization	29.6	34.4
Minority interest in earnings of Marvel	2.0	
Other, net	0.6	4.1
Changes in assets and liabilities:		
Additions to film costs	(25.4)	(32.0)
(Increase) decrease in other assets	(2.7)	1.3
Increase in liabilities	6.4	0.8
	10.5	8.6
Net cash flows from operating activities	1.3	(8.2)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net collections of loans to affiliates	40.9	
Capital expenditures	(0.4)	(0.1)
Net cash flows from investing activities	40.5	(0.1)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of debt	11.2	11.4
Net repayment of debt and loans from affiliates	(45.8)	(3.7)
Other, net	(0.5)	0.9
Net cash flows from financing activities	(35.1)	8.6
Effect of exchange rate changes on cash	0.0	0.1
Net increase in cash	6.7	0.4
Cash at beginning of the period	1.7	2.1
Cash at end of the period	$8.4	$2.5
Supplemental schedule of cash flow information:		
Interest paid during the period	$11.2	$9.0
Taxes paid during the period	1.4	0.2

See notes to unaudited consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except per share data)

1. BASIS OF PRESENTATION

The accompanying consolidated condensed financial statements of Andrews Group Incorporated (the "Company") are unaudited. In the opinion of management, all adjustments necessary for a fair statement of the results of operations have been made. The Company is an indirect wholly owned subsidiary of Mafco Holdings Inc. ("Mafco Holdings").

In accordance with the provisions of Statement of Financial Accounting Standards No. 53, "Financial Reporting by Producers and Distributors of Motion Picture Films" ("SFAS No. 53"), the Company presents unclassified balance sheets.

Certain reclassifications have been made to conform to the current period's presentation.

2. SALE OF INTEREST IN AND STOCK SPLIT OF MARVEL

On July 22, 1991, Marvel Entertainment Group, Inc. ("Marvel"), a then indirect wholly-owned subsidiary of the Company, completed an initial public offering in which it issued and sold 8.4 million shares of common stock. In addition, in the initial public offering, Marvel's immediate parent company, New Marvel Holdings, Inc. sold 1.2 million shares of Marvel's common stock thereby reducing its ownership of Marvel to 60%.

On January 21, 1992, Marvel's Board of Directors declared a two-for-one stock split effected in the form of a dividend to stockholders of record on February 20, 1992, which was paid on March 3, 1992. All references herein to number of shares of Marvel common stock have been adjusted to reflect the stock split for all periods presented.

3. FILM COSTS

Film costs, net of amortization, consist of the following:

	March 31, 1992	December 31, 1991
Released	$126.8	$125.5
In process and development	10.3	12.2
	$137.1	$137.7

4. INCOME TAXES

The Company recorded a provision for federal, state and foreign taxes for the three months ended March 31, 1992 and a provision for foreign and state income taxes for the three months ended March 31, 1991. The Company has not recorded a federal benefit on its losses in the 1992 or 1991 periods since it is not assured that it will be able to realize a benefit for such losses in the future. The provision for federal and state income taxes in 1992 relates to Marvel's taxable income; Marvel is not included in the Company's 1992 consolidated federal income tax return. The provision for foreign income taxes in 1992 and 1991 consists primarily of taxes withheld on foreign royalties.

5. RELATED PARTY TRANSACTIONS

At March 31, 1992 and December 31, 1991, the Company and its subsidiaries had advances from and other indebtedness to Mafco Holdings and its affiliates of $203.6 and $201.9, respectively. This indebtedness bears interest at rates varying from 2% over the prime rate to 13.75%.

During the period April 1, 1992 through May 14, 1992, Mafco Holdings and its affiliates made net advances of $0.3 to the Company.

At March 31, 1992 and December 31, 1991, the Company was owed $6.8 and $47.7, respectively, by an affiliate of Mafco Holdings. The advances earn interest at the prime rate plus 2½% which is payable quarterly.

In March 1992, a subsidiary of the Company pledged 2,950,000 shares of Marvel common stock in connection with a bank loan to an affiliate. The number of shares pledged fluctuates based upon the market value of the shares and upon the outstanding principal amount of the underlying obligation.

6. LEGAL PROCEEDINGS

In February 1989, Robert Eckstein et al brought an action for violation of Federal Securities laws and pendant state law against New World and other parties (the "Eckstein Action"). In January 1988, Ralph Majeski et al brought an action for fraud, misrepresentation, breaches of contract and fiduciary duty, etc. against New World and other parties (the "Majeski Action"). In March 1992, the court granted a motion for summary judgment and dismissed both the Eckstein Action and the Majeski Action. Plaintiffs in the Majeski Action have filed a motion for reconsideration, and the defendants have filed a joint response. The motion is pending. A Notice of Appeal in the Eckstein Action was filed on or about April 6, 1992. On May 4, 1992, the Court of Appeals for the Seventh Circuit requested the parties to brief the issue of whether the case is appealable at this time in light of the pending motion for reconsideration in the Majeski Action.

RESULTS OF OPERATIONS

The publishing segment, which is comprised of Marvel and Marvel Comics Limited ("Marvel U.K."), revenues are principally derived from the sale of comic books and other illustrated material and the sale of advertising in its comic books and from licensing its characters and publication rights. Sales of comics are recorded generally two to four weeks after shipment which approximates the retail on sale date. Sales made on a returnable basis are recorded net of a provision for returns. Subscription revenues, generally collected in advance, are deferred and recognized as income on a pro rata basis over an annual period. Costs of production are recognized when the related revenues are recognized. Income from licensing of characters owned by Marvel to third parties and publication rights is recorded at the time collection is assured.

New World recognizes revenues from foreign cable, home video, free and pay television contracts when the film product is available for exhibition or broadcast, provided other conditions of sale, in accordance with generally accepted accounting principles, have been met. Deposits and cash advances are deferred until all material conditions of the sale have been met. Deferred income consists mainly of advance payments received on television contracts for which films are not yet available for broadcast or exploitation. Film costs consist of story rights, screenplays and production costs (which benefit future periods) and capitalized overhead costs, and are stated at the lower of cost, net of accumulated amortization, or estimated net realizable value. Abandoned story and development costs are charged to film production overhead.

Three Months Ended March 31, 1992 Compared With The Three Months Ended March 31, 1991

The Company's net revenues in 1992 were $69.3 compared with $64.7 in 1991. Revenues in 1992 include $32.0 from the Company's publishing segment and $37.3 from the Company's filmed entertainment segment comprised of New World and Four Star International, Inc. Revenues in 1991 include $20.1 from the Company's publishing segment and $44.6 from the Company's filmed entertainment segment.

The increase in net publishing revenues was mainly attributable to Marvel's volume increases, including the publication of several new titles, and to a lesser extent from an increase in the cover price of select titles. The growth in the Company's licensing revenues was mainly attributable to the increasing popularity of Super Heroes themed merchandise and a non-refundable advance for the license to produce a live-action Spider-Man feature film.

The revenues from the Company's filmed entertainment segment are primarily comprised of revenues relating to New World's television series productions, including "The Wonder Years", "Santa Barbara", "Zorro", "The Bold and The Beautiful", and revenues from its film library. The decrease in revenues in the filmed entertainment segment for 1992 compared to 1991 is primarily due to the decrease in revenue generated from pilots and new series and a decrease in revenue from the domestic syndication market and other revenues. The decrease in revenue from pilots and new series is a result of the New World Transaction in November 1991, pursuant to which a third party agreed to assume New World's executory obligations with respect to certain contracts with employees and producers and certain development projects and television series. The decrease in domestic syndication and other revenues is primarily due to participation revenues for one animated series and cable revenues for one series recognized in 1991.

Cost of sales for 1992 and 1991 relates to the publishing segment ($15.1 and $11.0, respectively) and to the filmed entertainment segment ($9.1 and $12.9, respectively). The publishing segment's cost of sales as a percentage of sales was 47% in 1992 and 55% in 1991. The decrease in cost of sales as a percentage of net revenues reflects an increase in revenues from sales to the direct market, an increase in licensing revenues and to a lesser extent from an increase in the cover price on select titles. Cost of sales as a percentage of sales for the filmed entertainment segment was 24% and 29% in 1992 and 1991, respectively, and is comprised of residual and participation expenses for talent and costs of distributing the product in both the foreign and domestic markets. The decrease in the cost of sales as a percentage of revenues in the filmed entertainment segment is primarily related to the decrease in ultimate distribution costs for certain products.

Selling, general and administrative ("SG&A") expenses in 1992 increased by $2.4 to $10.6. The publishing segment's SG&A expenses increased from $4.9 to $7.6. As a percentage of net revenues, the publishing segment's SG&A expenses were approximately 24% in 1992 and 1991. The increase of $2.7 was mainly attributable to higher advertising and other selling expenses as well as increased salaries. The filmed entertainment segment's SG&A expenses decreased from $3.3 in 1991 to $3.0 in 1992.

Film cost amortization for 1992 and 1991 relates primarily to New World. Film costs are comprised of direct costs of production, including story rights, screenplays, salaries for talent, rental of facilities and capitalized overhead. The amortization rate is derived from management's estimate of ultimate revenues on a specific film or episode basis. These estimates are revised quarterly and any losses are provided for when known. Film cost amortization as a percentage of New World's net revenues was 71% in 1992 and 1991. During 1991, New World recognized a loss on the deliveries of one new series, one pilot and one movie-of-the-week compared to losses recognized in 1992 on two series and one mini-series. New series typically produce losses until sufficient episodes are produced to generate revenues from ancillary markets.

Operating income for 1992 and 1991 relate to the publishing segment ($9.3 and $4.2, respectively), net of losses of the filmed entertainment segment ($0.2 and $1.5, respectively) and corporate operating losses ($0.9 and $1.2, respectively).

Interest expense in 1992 decreased by $3.1 from 1991 to $11.1 primarily due to reduced borrowings by Marvel and New World, lower interest rates for certain bank indebtedness partially offset by increased borrowings from affiliates for interest and working capital purposes.

Amortization of goodwill and debt issuance costs were $2.2 in 1992 and $2.5 in 1991. The decrease relates primarily to the writeoff of all remaining goodwill of New World in the fourth quarter of 1991.

In 1992 and 1991, Miscellaneous, net is primarily comprised of foreign currency exchange gains and losses recognized on foreign television licensing contracts.

The provision for income taxes of $4.1 in 1992 relates to federal, state and foreign income taxes compared with $0.9 in 1991 primarily comprised of foreign and state income taxes. The provision for federal and state income taxes in 1992 relates to Marvel's taxable income; Marvel is not included in the Company's 1992 consolidated federal income tax return.

Inflation

In general, costs to produce and distribute television programming and publishing costs are affected by inflation, and the effects of inflation may be experienced by the Company in future periods. Management believes, however, that such effect has not been material to the Company in 1992 or 1991.

Financial Condition, Liquidity and Capital Resources

(a) Corporate:

The Company's corporate cash requirements consist primarily of debt service, administrative expenses and the funding of New World's operating deficits. The Company has three primary potential sources of liquidity at the corporate level consisting of: collection of short-term loans to affiliates, advances from Mafco Holdings and its affiliates and the Company's investment in the common stock of Marvel. At May 14, 1992, an aggregate of 6,463,906 shares of common stock of Marvel owned by the Company were pledged to secure indebtedness of New World and to secure obligations of a subsidiary of the Company in connection with a bank loan to an affiliate. In each case, the number of shares pledged fluctuates based upon the market value of the shares and upon the outstanding principal of the underlying indebtedness.

The loan agreements of New World prohibit the payment of dividends. The payment of dividends by Marvel are subject to the approval of its Board of Directors and further limited by its credit agreement.

(b) Consolidated:

Marvel's cash flow from operations is sufficient to cover its interest expense and debt service requirements. Neither New World nor the Company has sufficient cash flow to cover its interest or debt service requirements.

Management believes that even if New World is able to realize significant improvement in the results from its operations in 1992 and thereafter, for the foreseeable future, the Company's consolidated interest costs and other fixed charges are unlikely to be covered by the Company's consolidated earnings or cash flows. Accordingly, both the Company and New World continue to rely upon advances from Mafco Holdings and its affiliates. The Company nonetheless continues to explore various alternatives to optimize New World's operating cash flow and to realize maximum value from New World's assets.

The Company (primarily New World) depends upon advances and/or capital contributions from Mafco Holdings and its affiliates to meet its cash needs. At March 31, 1992 and December 31, 1991, advances and other indebtedness to Mafco Holdings and its affiliates were $203.6 and $201.9, respectively. During the period April 1, 1992 through May 14, 1992, Mafco Holdings and its affiliates made net advances of $0.3 to the Company. At March 31, 1992 and December 31, 1991, the Company was owed $6.8 and $47.7, respectively, by an affiliate of Mafco Holdings.

At March 31, 1992, approximately $167.3 of indebtedness of the Company was guaranteed by Mafco Holdings. The guarantees are subordinated obligations of Mafco Holdings and are partially secured by assets of Mafco Holdings.

In January 1992, the Company purchased a $24.5 subordinated participating interest in demand loans between its subsidiary, New World Entertainment, Ltd. ("New World") and Manufacturers Hanover Trust Company, (the "New World Facility").

New World is exploring various alternatives to extend or refinance the remainder of the New World Facility and other loans on a longer term basis, although there can be no assurance that the maturity, pricing and other terms and conditions of any such extension or refinancing will be advantageous to New World.

Capital expenditures of $0.4 in 1992 related primarily to machinery and equipment for Marvel. No material capital expenditures are planned for the remainder of 1992.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits
None

b. Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ANDREWS GROUP INCORPORATED
(Registrant)

May 7, 1992

By: _____
Mark L. Wilson
Vice President and Controller
(Principal Financial Officer)